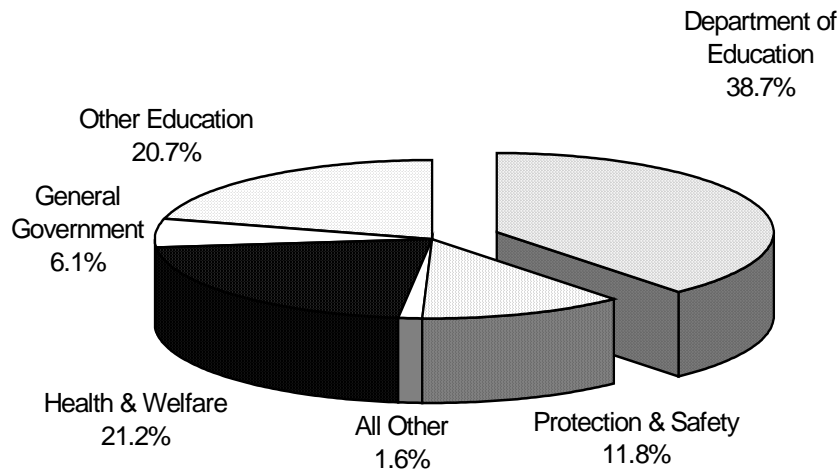


STATE FUNDING FOR EDUCATION

The general fund appropriation for the State of Arizona in 1998-99 was \$5,767,566,200. The total for all education including the Board of Regents and Community colleges was \$3,422,843,100 or 59.4 percent of the total appropriation. The Department of Education was appropriated \$2,229,024,000 or 38.7 percent of the total. The graph below shows the percentage appropriated for other governmental functions. The majority of the general fund appropriation to the Department of Education is paid in basic and additional state aid to local school districts and charter schools.

SUMMARY OF APPROPRIATED FUNDS BY AGENCY FY 99 - GENERAL FUND ONLY



Total revenues available to school districts in 1989-90 through 1998-99 and the percentage by source are indicated on Table 1. For fiscal year 1990, the Total Revenues included Maintenance and Operation, Capital Outlay, Adjacent Ways and Debt Service Funds only. For fiscal years 1991 through 1998, the Total Revenues include School Plant, State and Federal Projects in addition to the four funds included in the previous year. In FY 1999 Total Revenues include the new Building Renewal, Deficiencies Correction and New Schools Facilities funds.

Table 1

PERCENT OF REVENUE BY YEAR BY SOURCE

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Percent Federal</u>	<u>Percent State</u>	<u>Percent County</u>	<u>Percent Intermediate</u>	<u>Percent Local</u>
1989-90	2,511,652,000	3.20%	46.90%	4.00%		45.90%
1990-91	2,826,107,000	6.50%	45.60%	3.90%		44.00%
1991-92	3,021,949,000	6.50%	45.30%	3.80%		44.40%
1992-93	3,151,501,000	6.30%	44.60%	4.70%		44.40%
1993-94	3,290,684,000	7.00%	44.80%	3.90%		44.30%
1994-95	3,486,916,000	7.00%	47.80%	3.30%		41.90%
1995-96 District	3,808,086,499	7.00%	47.20%	3.10%		42.60%
1995-96 Charter School	35,495,925	2.60%	96.90%	0.00%		0.50%
1995-96 Total	3,843,582,424	7.00%	47.70%	3.10%		42.20%
1996-97 District	3,974,660,831	7.20%	48.10%	3.10%		41.60%
1996-97 Dist Charter Schools	11,523,428	0.80%	44.00%	0.00%	2.80%	52.40%
1996-97 Board Charter School	65,945,215	5.50%	88.10%	0.00%	2.90%	3.50%
1996-97 Total	4,052,129,474	7.20%	48.80%	3.00%		41.00%
1997-98 District	4,286,437,065	8.13%	46.97%	3.00%		41.89%
1997-98 Dist Charter Schools ¹	18,812,464	45.42%	0.23%	0.00%	0.00%	54.36%
1997-98 Board Charter School	104,015,724	9.67%	83.45%	0.00%	1.45%	5.42%
1997-98 Total	4,409,265,253	8.33%	47.64%	2.92%	0.03%	41.08%
1998-99 District	4,991,796,831	7.67%	44.34%	2.68%		45.31%
1998-99 Dist Charter Schools ¹	15,831,861	5.11%	26.32%	0.00%	0.00%	68.57%
1998-99 Board Charter School	149,173,733	4.32%	84.22%	0.00%	0.35%	11.11%
1998-99 Total	5,156,802,425	7.57%	45.43%	2.59%	0.01%	44.39%

¹ Percentages of revenue by source are calculated based on information reported by district sponsored charter schools on their Annual Financial Report. A significant number of district-sponsored charter schools did not submit an Annual Financial Report for FY 1998-99. The Arizona Department of Education paid over \$18 million in state equalization assistance to districts for their sponsored schools in FY 1997-98, and approximately \$28 million in FY 1998-99. The resulting payments are currently reported by district-sponsored charter schools as local revenues or state revenues.

EXPENDITURE HISTORY

The total expenditures for maintenance and operation (M & O) for 1998-99 were \$3,413,252,206. This represents an increase of 7.1% over 1997-98 M & O expenditures. This increase is primarily due to increases in total student growth (see Table 3).

Table 2

M & O FUND EXPENDITURES BY YEAR			
<u>Fiscal Year</u>	<u>M & O Expenditures</u>	<u>Increase</u>	<u>Percent Increase</u>
1989-90	2,037,875,416	88,953,119	4.6%
1990-91	2,194,313,206	156,437,790	7.7%
1991-92	2,299,091,982	104,778,776	4.8%
1992-93	2,406,909,457	107,817,475	4.7%
1993-94	2,501,593,469	94,684,012	3.9%
1994-95	2,683,636,261	182,042,792	7.3%
1995-96 District	2,809,326,388		
1995-96 Charter School	26,941,583		
1995-96 Total	2,836,267,971	152,631,710	5.7%
1996-97 District	2,937,822,908	128,496,520	4.6%
1996-97 Dist Charter Schools	9,518,730		
1996-97 Board Charter Schools	53,576,580	26,634,997	98.8%
1996-97 Total	3,000,918,218	164,650,247	5.8%
1997-98 District	3,094,999,196	157,176,288	5.0%
1997-98 Dist Charter Schools	8,414,704	(1,104,026)	(11.6%)
1997-98 Board Charter Schools	83,293,546	29,716,966	35.7%
1997-98 Total	3,186,707,446	185,789,228	5.8%
1998-99 District	3,270,266,920	175,267,724	4.8%
1998-99 Dist Charter Schools	11,602,230	3,187,526	37.9%
1998-99 Board Charter Schools	131,383,056	48,089,510	57.7%
1998-99 Total	3,413,252,206	226,544,760	7.1%

The graph below shows the rate of increase of M & O expenditures.

MAINTENANCE & OPERATION EXPENDITURES FY 89-90 TO FY 98-99

